

2220-K

41A720-S6 (10-08)

Commonwealth of Kentucky  
DEPARTMENT OF REVENUE

2008

UNDERPAYMENT OF ESTIMATED INCOME  
TAX BY CORPORATIONS

► Attach to Form 720 or 720S.

Enter Name(s)

Kentucky Corporation/LLET Account Number

## PART I—EXCEPTION

The exception shall apply if the entity's prior year tax liability was equal to or less than \$25,000 and estimated tax equals or exceeds the prior year tax as provided by KRS 141.042 and KRS 141.990. **If the exception does not apply, go to Part II.**

☐ The estimated tax equals or exceeds the prior year tax liability and the prior year tax liability is equal to or less than \$25,000. Check this box and complete lines 1 through 4 of this part.

1. Enter the income tax liability from the 2007 return, Form 720, Part III, line 8; or Form 720S, Part III, line 4 .....	1	
2. Statutory exemption .....	2	\$5,000
3. Line 1 less line 2 .....	3	
4. Enter the total tax payments from the 2008 return: Form 720, the total of Part I, lines 7, 8, and 10 and Part III, lines 9 and 11; or Form 720S, the total of Part II, lines 7 and 9 and Part III, lines 5 and 7 .....	4	

## PART II—FIGURING THE UNDERPAYMENT AND PENALTY

1. Enter the income tax liability from the 2008 return, Form 720, Part III, line 8; or Form 720S, Part III, line 4 .....	1	
2. Enter 70% (0.70) of line 1 .....	2	
3. Statutory exemption .....	3	\$5,000
4. Enter the total tax payments from the 2008 return: Form 720, the total of Part I, lines 7, 8, and 10 and Part III, lines 9 and 11; or Form 720S, the total of Part II, lines 7 and 9 and Part III, lines 5 and 7.....	4	
5. Line 2 less lines 3 and 4 .....	5	
6. Penalty percentage is 10% .....	6	x .1
7. Multiply line 5 by line 6. This is the amount of the penalty for underpayment of estimated income tax (minimum penalty \$25). Enter on this line and on the Tax Payment Summary of the applicable form.....	7	

## INSTRUCTIONS

**Purpose of Form**—This form is used by a corporation filing Form 720 or Form 720S to calculate the penalty due for underpayment of estimated income tax imposed under KRS 141.040.

Estimated tax payments must be made by each entity whose income tax and LLET liability for the taxable year can reasonably be expected to exceed \$5,000. However, the underpayment penalty is only applicable for an underpayment of income tax. For information regarding estimated payments, see Form 720, Form 720S, Form 725 or Form 765 instructions.